



Department of Justice

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**JUSTICE DEPARTMENT APPROVES INFORMATION EXCHANGE
PROPOSED BY THE ELECTRIC POWER RESEARCH INSTITUTE**

WASHINGTON, D.C. -- The Department of Justice today announced that it would not challenge a proposal by the Electric Power Research Institute (EPRI)—a nonprofit organization committed to providing and disseminating science and technology-based solutions to energy industry problems--that will allow its members to exchange information that will improve the way electric power industries protect themselves against cyber-threats.

In a business review letter issued by Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division to EPRI, the Department stated the proposed information exchange would not substantially lessen competition in any of the energy markets.

According to the EPRI, the security of our nation's critical infrastructure industries--electric power, oil and natural gas, information and communications, transportation, emergency services, banking and finance, water supply, and the public health services--has increasingly become a wide spread concern as they become more computer dependent and interconnected to suppliers, customers and rivals worldwide.

In 1997 a Presidential Commission issued a report stating that industry cooperation and information sharing is the quickest and most efficient way of protecting our critical infrastructure industries against cyber-threats--attacks conducted by electronic, radio frequency or computer-based technology. Based on the Commission's report, the EPRI has developed an Enterprise Infrastructure Security (EIS) program that will provide its members with information to address security risks and other concerns.

Under the program, two principal types of information will be exchanged among the members of EPRI. The first will include industry specific practices that are the most efficient for cyber security programs, and the second will include cyber-security vulnerabilities identified by each industry with respect to their operating equipment, electronic information and communications systems. In addition to members of the EPRI, this information will be shared with the corresponding manufacturers, vendors or security services providers who are invited to participate in the exchange to address their own equipment or systems.

The EPRI has adopted a number of measures to lessen the possibility that its proposed information exchange will have any anticompetitive effects. All information exchanged will relate directly to physical and cyber-security, and the members of EPRI are prohibited from discussing specific prices for equipment, electronic information or communications systems. In addition, company-specific competitively sensitive information--prices, capacity or future plans--are excluded from being exchanged through the EIS program. The program will not serve as a conduit for discussions or negotiations between or among vendors, manufacturers or security service providers with respect to any participant or group of participants. Neither the EPRI or its members will recommend in favor of or against any product or systems of particular manufacturers or vendors. On the contrary, it will be left to each participant to determine the effect of the exchanged information on its individual purchasing and other business decisions.

Klein stated as long as the information exchanged is limited, in the manner discussed above to physical and cyber-security issues, the proposed prohibition on price, purchase and future product innovation discussions should be sufficient to avoid any threats to competition.

Under the Department's Business Review Procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, Suite 215, Liberty Place, 325 7th Street, N.W., Department of Justice, Washington, D.C. 20004. After 30-day period, the documents supporting the business review will be added to the file.

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